

INSIGHTS

107th Congress
April 15, 2002

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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of **INSIGHTS** is to provide FEMP management staff with timely information on legislative activities relevant to the program. **INSIGHTS** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

HOUSE

This week, the House schedule will include several appropriations and authorization hearings of interest and include the followings:

Appropriations:

- ➤ National Aeronautics and Space Administration FY 2003 Budget Request
- ➤ Department of the Treasury FY 2003 Budget Request
- ➤ Energy Research: Measuring Success Oversight hearing

Authorizations:

- ➤ New Directions for Climate Research and Technology Initiatives
- ► H.R. 3947 Federal Property Asset Management Reform Act of 2002

SENATE

The Senate has scheduled three hearings of interest this week:

Appropriations:

- ➤ Department of the Interior FY 2003 Budget Request
- Department of Energy: Focus includes Office of Energy Efficiency and Renewable Energy -FY 2003 B udget Request for Renewable Energy Programs

Authorizations:

(Resume Debate) S- 517 – No Short Title (Pending comprehensive energy legislation)

CONFERENCE COMMITTEES/VOTES

Comprehensive Energy Legislation This week, the Senate is scheduled to resume consideration of *S*. 517 once members have dispensed with other bills currently on the Senate floor. The energy bill is expected to include controversial amendments dealing with:

- ➤ Drilling in the Alaska National Wildlife Refuge (ANWR)
- ➤ Coverage of benefits for steel workers from ANWR royalties and the requirement that domestic steel be used for construction of the ANWR pipeline.

The steel-related proposals were designed to attract bi-partisan support for members representing steel-producing states. However, some Republican members are expected to balk at the proposal because they do not believe in using Federal funds to bail out the steel industry. It is still unclear whether the Republican-sponsored ANWR amendment will be similar to the House bill (*H.R. 4*) or will reflect a less restrictive drilling measure proposed by Senate Republicans.

Last week, the Senate approved a proposal crafted by Senators Jeff Bingaman (D/NM) and Craig Thomas (R/WY) supporting a renewable portfolio standard and Federal net metering along with enhanced ratemaking authority for the Federal Energy Regulatory Commission. Another controversial amendment submitted by Senator Diane Feinstein (D/CA) dealing with increased regulation of energy derivatives was pulled from the floor. Other measures adopted last week include a goal to fund wind energy research at the \$100 million level, a DOE assessment of wind energy resources and transmission, establishment of a new commission to protect electric consumers, and a program to promote energy efficiency in the small business sector.

The Senate also began consideration of reformulated gasoline (RFG) proposals by rejecting a provision that would have required the Environmental Protection Agency to act within 30 days on state petitions to opt out of the RFG requirement. This week, the Senate is expected to debate a proposal to increase domestic production of RFG to 5 billion gallons by 2012; the majority of the fuel would be derived from ethanol.

Renewable Energy Development Last week, the Conference Committee for H.R. 2646 - Agriculture, Conservation, and Rural Enhancement Act of 2001, reported progress in reaching agreement on a number of provisions including one dealing with the development of renewable energy. Conferees have approved a \$200 million incentive program over the next 10 years to help U.S. farmers develop renewable energy, implement energy efficiency improvements, support biomass research and development, and promote the use of biodiesel fuel in farming and rural communities. The committee also approved a provision requiring the Federal Government to "give preference to biobased products in their purchasing agreements. This new requirement would "require the federal government to lead by example in opening up new markets for biobased products." The committee is scheduled to resume work on the bill this week, with several major, but unrelated issues to be resolved. However, some observers caution that once work on the bill is completed, there may be insufficient funds to support these renewable energy initiatives.

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II. COMMITTEE ACTIVITY

HOUSE

Federal Acquisition On April 9, the House passed *H.R.* 3947 – Federal Property Asset Management Reform Act of 2002. The bill, which would amend the Federal Property and Administrative Services Act of 1949, includes the following provisions of interest:

- Establishe performance measure benchmarks to determine effectiveness of Federal real property (includes public lands and facilities) management including the value added to Federal agency missions through cooperative arrangements with the commercial real estate community.
- Establish and maintain a single, comprehensive, and descriptive database of all real property interests under the custody and control of each Federal agency; develop and issue guidelines for the collection of information from each agency.

- ➤ Directs each Federal agency to designate a Senior Real Property Officer to monitor real property assets and ensure property is managed consistent with agency goals and objectives and property management principles; officer may apply enhanced asset management tools including the exchange of or transfer of property to other Federal agencies or non-Federal sources.
- ➤ Permits agency retention of proceeds resulting for the transfer or disposition of real property and related personal property in either an existing account or an account to be established in the Treasury to pay for the capital asset expenditures of the particular agency making the property available and be known as the agency's "Capital Asset Account." Funds to be used for the replacement or rehabilitation of the portion of that real property holding that remains in Federal ownership.

The bill does not repeal or supersede any other provision of Federal law directing the use of proceeds from specific real property transactions or how or where a particular Federal agency is to deposit, credit, or use such proceeds.

The bill also extends for two years, an existing pilot program designed to streamline procedures for the purchase up to \$5 million of commercial goods and services. *H.R.* 3947 has been sent to the Senate for consideration. Committee on Government Reform Chairman, Dan Burton (R/IN) said "This bill will bring a much-needed, common sense approach to the way our Federal government conducts business."

Energy Research The Subcommittee on Appropriations for Interior and Related Agencies will hold an April 17 hearing on the National Academy of Sciences report, *Energy Research at DOE: Was It Worth It? Energy Efficiency and Fossil Energy Research 1978 to 2000* (see hearing chart below). The hearing was scheduled as a result of the report's findings and recommendations. For example, the authors determined that, according to Robert Fri, chairman of the committee that produced the report that several key program activities "delivered benefits many times over the total amount invested" while others resulted in public benefits that were difficult to qualify.

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SENATE

Budget Resolution Last week, Jim Nussle (R/IA), Chairman of the Committee on the Budget released a statement encouraging Senate Majority Leader, Tom Daschle (D/SD) "to allow a vote on a Senate budget resolution as soon as possible." The House passed their version of the FY 2003 Budget Resolution on March 20th and the Senate Committee on the Budget marked up its version on March 21. Majority Leader Daschle stated last week that he had not yet scheduled a vote on the non-binding resolution because of other pending priorities including Senate consideration of comprehensive energy legislation among other bills. Many observers believe that there are not enough votes in the Senate to approve the bill that cleared the full committee. And, in the event that the Senate did approve the committee report, it is unlikely that the House and Senate could reach a conference agreement because of the significant differences between the Democratic controlled Senate and the Republican-controlled House. April 15 is the statutory deadline for passing the non-binding annual resolution, which serves as a guide for House and Senate appropriators.

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III. NEW LEGISLATION

HOUSE

No new bills of interest were introduced or made available for review.

SENATE

No new bills of interest were introduced or made available for review.

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IV. ADMINISTRATION INITIATIVES

DOE Steps to Address Rising Oil and Gas Prices On April 12, Secretary Spencer Abraham released a copy of a letter he sent to each Member of Congress describing the Administration's actions to mitigate oil and gas market prices. In his letter, the Secretary noted current strains on the availability of fuel including threats from Iraq to reduce output and the pending summer driving season. Steps taken by the Administration, which were outlined in the letter include:

- ➤ Directing the Environmental Protection Agency to improve some rules governing the transition from winter to summer gasoline including a provision for increased flexibility in blending a declassification of certain fuels.
- > Directing the Department of Energy to monitor gasoline supplies and pricing.
- ➤ Directing the Energy Information Administration to produce the agency's *Energy Situation Analysis Report* each weekday to monitor world events for potential supply disruptions.
- ➤ Reinstating DOE's 24-hour consumer Gasoline Hotline (1-800-244-3301)
- Arranging a meeting between Secretary Abraham and representatives of the American Automobile Association to identify ways in which consumers can drive and operate their vehicles more efficiently and a meeting with refiners and gas station owners to ensure the distribution system works properly from the wellhead to the pump.

The Administration noted in their letter to Congress that the price for crude oil has risen over 30 percent since February by over \$7 per barrel and the Energy Information Administration predicts that consumers will be paying \$1.46 per gall for regular gasoline during the next six months. To view Secretary Abraham's letter to Congress, visit the DOE web site at http://www.energy.gov/HQPress/releases02/aprpr/pr02063.htm

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V. HEARINGS SCHEDULE

HOUSE - COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
April 17- Subcommittee on Veterans' Affairs, Housing and Urban Development and Independent Agencies	James Walsh (R/NY)	Hearing – FY 2003 budget estimates for the National Aeronautics and Space Administration	TBA	9:30 a.m. and 1:30 p.m. Room 2359 Rayburn Office building
April 17 – Subcommittee on Interior and Related Agencies (UPDATED)	Joe Skeen (R/NM)	Oversight Hearing- Energy Research – Measuring Success	David Garman, Assistant Secretary for Energy Efficiency and Renewable Energy Carl Smith, Assistant Secretary for Fossil Energy Robert Fri, Chairman of the National Academy of Science Report Mark Everson, Comptroller, Office of Management and Budget	10:00 a.m. Room B-308 Rayburn Office Building
April 17 – Subcommittee on Treasury, Postal Service, and General Government (NEW)	Frank Wolf (R/VA)	Hearing - FY 2003 budget estimates for the Department of the Treasury	TBA	10:00 a.m. Room 2362B Rayburn Office Building

HOUSE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
April 17 – Committee on Science (NEW)	Sherwood Boehlert (R/NY)	Hearing - New Directions for Climate Research and Technology Initiatives	Includes representatives from Pacific Northwest National Laboratory, the Universities of Washington and Colorado, the Earth and Mineral Sciences Environment Institute, and the Center for Neighborhood Technology	10:00 a.m. Room 2318 Rayburn Office Building
April 18 – Subcommittee on Economic Development, Public Buildings, and Emergency Management (Committee on Transportation and Infrastructure) (NEW)	Steven LaTourette (R/OH)	Hearing – H.R. 3947 – Federal Property Asset Management Reform Act of 2002	TBA	10:00 a.m. Room 2253 Rayburn Office Building

SENATE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
April 17 – Subcommittee on Interior and Related Agencies (NEW)	Robert Byrd (D/WV)	Hearing - FY 2003 budget estimates for FY 2003 for the Department of the Interior	Gale Norton, Secretary of the Interior	2:30 p.m. Room 138 Dirksen Office Building
April 18 – Subcommittee on Interior and Related Agencies (NEW)	Harry Reid (D/NV)	Hearing - FY 2003 budget estimates for FY 2003 for the Department of Energy's Office of Energy Efficiency and Renewable Energy and other DOE offices – focus will be on Renewable Energy	David Garman, Assistant Secretary, Office of Energy Efficiency and Renewable Energy Jesse Roberson, Assistant Secretary, Office of Environmental	10:00 a.m. Room 138 Dirksen Office Building
		programs	Management	

SENATE - AUTHORIZATIONS/OVERSIGHT

There are no hearings of interest to report.

HOUSE/SENATE CONFERENCE COMMITTEE NEGOTIATIONS AND HOUSE AND SENATE FLOOR VOTES

Date	Legislation
Senate - Week of April 15 (Ongoing) (UPDATED)	Floor Consideration – Resume consideration of S. 517 – No Short Title (comprehensive energy legislation). Next issues expected to be addressed include: potential amendments to the bill, which include reformulated gasoline, Corporate Average Fuel Economy Standards, and the National Artic Wildlife Refuge
Conference Committee – April 16 (Ongoing)	Conference Committee Negotiation – includes provisions on renewable energy, which have already been approved by conferees.

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